

Memorandum



Date: May 6, 2014

To: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor

Agenda Item No. 8(A)(5)

Subject: Recommendation to Waive Competitive Bid and Bid Protest Processes, Reject Proposals relating to the Baggage Handling System Operation & Maintenance at Miami International Airport, Execution of Change Order No. 3 with John Bean Technologies Corporation and a Contract Modification to the Conventional Baggage System Maintenance Contract with Oxford Electronics

This item was amended at the April 9, 2014, Transportation & Aviation Committee meeting to remove any reference to a Best and Final Offer,

RECOMMENDATION

It is recommended that the Board of County Commissioners (Board): i) reject all proposals received for the Baggage Handling System (BHS) Operation & Maintenance (O&M) at Miami International Airport (MIA), RFP No. MDAD-06-11; and ii) authorize Change Order No. 3 to the contract with John Bean Technologies Corporation (JBT) for the O&M of the South Terminal and Concourse F BHSs, and a contract modification with Oxford Electronics, Inc. d/b/a Oxford Airport for the Conventional Baggage System Maintenance Contract for the Concourse E BHS.

SCOPE

Miami International Airport is located primarily within Chairwoman Rebeca Sosa's District Six; however, the impact of this agenda item is countywide in nature as MIA is a regional asset.

DELEGATED AUTHORITY

Not applicable as this is a rejection of proposals.

FISCAL IMPACT/FUNDING SOURCE

Not applicable as this is a rejection of proposals.

TRACK RECORD/MONITOR

Not applicable as this is a rejection of proposals.

DUE DILIGENCE

Not applicable as this is a rejection of proposals.

BACKGROUND

Baggage handling systems are critical infrastructure for all airports. The County is responsible for the operations and maintenance of all MIA baggage handling systems, with the sole exception of the outbound North Terminal Baggage Handling System, which is maintained by American Airlines. If the County fails to properly maintain or operate these systems, airlines cannot ensure that bags checked by passengers will reach the appropriate destinations. Misdellivered bags cost airlines substantial amounts of money and cause immeasurable damage to the reputation of the airline, MIA, and Miami-Dade County.

The original Request for Proposals (RFP) sought an entity to operate and maintain baggage handling systems serving:

- Concourse D (Inbound Only)
- Concourse E (Inbound & Outbound)
- Concourse F (Inbound & Outbound)

- Concourse G (Inbound & Outbound)
- Concourse H (Inbound & Outbound)
- Concourse J (Inbound & Outbound)

Operation of these systems requires near-constant manpower to manually code misdelivered bags, clear bag jams and assist the Transportation Security Administration (TSA). The RFP also requires both preventative and routine maintenance and emergency repairs of the systems. However, in an attempt to preserve flexibility for responders, the RFP does not specify a minimum level of staffing to accomplish these objectives. Currently, 92 individuals are employed by outside firms to maintain these systems.

On October 17, 2012, proposals were received from the following five (5) firms:

- Miami Baggage System Maintenance, LLC
- Siemens Industry, Inc.
- Oxford Electronics, Inc. d/b/a Oxford Airport Technical Services
- Elite Service Partners, LLC
- John Bean Technologies Corporation - JBT Aero Tech – Airport Services

The Evaluation/Selection Committee held a Prescreening Meeting February 12, 2013, and reviewed proposals submitted by the proposers. The Committee recommended oral presentations from all responsive proposers.

On March 26, 2013, a Committee meeting was held to discuss the responsiveness opinion issued by the County Attorney's Office. Two companies were found nonresponsive: Siemens submitted a proposal with exceptions which were considered material deviations, and Elite submitted as a joint venture but their licenses were not in the name of the joint venture as required by Florida Statute. The Committee reconfirmed their recommendation of February 12 to listen to oral presentations from the responsive proposers.

At a public hearing on May 3, 2013, the Committee heard presentations from the following responsive firms:

- Miami Baggage System Maintenance, LLC
- Oxford Electronics, Inc. d/b/a Oxford Airport Technical Services
- John Bean Technologies Corporation - JBT Aero Tech – Airport Services

After the oral presentations, the Committee evaluated and ranked proposals and then opened and read aloud the sealed price proposals. As a result, the Committee recommended Oxford Electronics Inc. d/b/a Oxford Airport Technical Services for negotiations of the non-exclusive Operator Agreement for the MIA BHS O&M.

PROPOSER	TECHNICAL CRITERIA POINTS	TOTAL PRICE POINTS	OVERALL SCORE (Technical & Price)	PROPOSED PRICE AMOUNT	OVERALL RANKING
Oxford	304	150	454	\$89,030,385.61	1
JBT	334	103	437	\$129,753,853.59	2
Miami Baggage	272	109	381	\$122,695,191.65	3

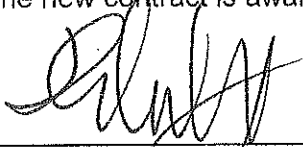
There are significant differences in the staffing levels offered by the various proposers. Oxford indicated it would complete the contract obligations with 46 employees, JBT with 91 employees, and Miami Baggage with 106 employees. Because of these staffing disparities, the Selection Committee recommended further negotiations on staffing terms in order to proceed with Oxford.

The Negotiation Committee came to an agreement with Oxford which guarantees that Oxford will be responsible for all costs associated with necessary staffing levels, including any costs associated with staffing for services beyond the minimum number that was guaranteed. This guarantee would come at no additional cost to the Miami-Dade Aviation Department (MDAD). The Committee also negotiated that the minimum staffing levels be revised in accordance with Oxford's June 12, 2013, letter in which it agreed to increase the staffing levels to a minimum of 50 employees.

On August 29, 2013, MDAD received a letter from the Airline Management Council (AMC), the organization that represents the majority of the airlines serving MIA, expressing concern that the staffing levels proffered by Oxford are insufficient to guarantee reliable operation of the BHS. While both United Airlines, which was represented on the Selection and Negotiation Committees, and JBT are AMC members, MDAD believes these concerns are reasonable given historic staffing for the O&M of these systems. However, MDAD staff strives to contain costs at MIA, noting a substantial difference in price between Oxford and the next-ranked proposer. Moreover, Oxford has experience maintaining BHS at numerous airports around the nation.

In order to balance these competing obligations and best ensure that MIA, the County's number one economic engine, properly balances risk to airline operations with impact to the bottom line, it is recommended that the proposals be rejected.

As the current JBT BHS O&M contract expires on June 27, 2014, and the separate County contract with Oxford for Conventional Baggage System Maintenance expires on September 30, 2014, in order to maintain this vital system, this item also authorizes the issuance of a change order to the existing contract with JBT and a contract modification to the Oxford contract which would extend those contracts at the current rates on a month-to-month basis, not to exceed six (6) months to allow sufficient time to award a new contract. MDAD will terminate the contracts with JBT and Oxford as soon as the new contract is awarded.



Jack Osterholt, Deputy Mayor



MEMORANDUM

(Revised)

TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

DATE: May 6, 2014

FROM: 
R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 8(A)(5)

Please note any items checked.

- ☐ "3-Day Rule" for committees applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Ordinance creating a new board requires detailed County Mayor's report for public hearing
- ☐ No committee review
- ☒ Applicable legislation requires more than a majority vote (i.e., 2/3's ☒, 3/5's ☐, unanimous ☐) to approve
- ☒ Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor

Veto _____

Override _____

Agenda Item No. 8(A)(5)

5-6-14

RESOLUTION NO. _____

RESOLUTION, REJECTING ALL PROPOSALS RECEIVED IN CONNECTION WITH THE NON-EXCLUSIVE OPERATOR AGREEMENT FOR BAGGAGE HANDLING SYSTEM OPERATION AND MAINTENANCE AT MIAMI INTERNATIONAL AIRPORT, RFP NO. MDAD-06-11, WAIVING SECTION 5.03(D) OF THE HOME RULE CHARTER BY TWO THIRDS VOTE OF MEMBERS PRESENT, WAIVING THE COMPETITIVE BID AND BID PROTEST PROCESSES OF THE COUNTY CODE; AND AUTHORIZING THE COUNTY MAYOR OR DESIGNEE TO NEGOTIATE AND EXECUTE CHANGE ORDER NO. 3 TO SOUTH TERMINAL BAGGAGE HANDLING SYSTEM OPERATION AND MAINTENANCE CONTRACT BETWEEN MIAMI-DADE COUNTY AND JOHN BEAN TECHNOLOGIES CORPORATION, PROJECT NO. ITN-MDAD-01-06, INCREASING THE ALLOCATION AND EXTENDING THE CONTRACT ON A MONTH TO MONTH BASIS, NOT TO EXCEED SIX MONTHS, AND AUTHORIZING A CONTRACT MODIFICATION TO CONVENTIONAL BAGGAGE SYSTEM MAINTENANCE CONTRACT NO. 4346-4/13-4, BETWEEN MIAMI-DADE COUNTY AND OXFORD ELECTRONICS, INC. D/B/A OXFORD AIRPORT, INCREASING THE ALLOCATION AND EXTENDING THE CONTRACT ON A MONTH TO MONTH BASIS NOT TO EXCEED SIX MONTHS, AND AUTHORIZING COUNTY MAYOR OR HIS DESIGNEE TO PERFORM ALL NECESSARY ACTIONS TO ENFORCE ITS TERMS

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum and documents, copies of which are incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board hereby: i) rejects all proposals received in connection with the Non-Exclusive Operator Agreement for Baggage Handling System Operation and Maintenance ("BHS O&M") at Miami International Airport ("MIA"), Project No: RFP No. MDAD-06-11; ii) for the reasons set forth in the

accompanying memorandum by two-thirds vote of members present finds that it is in the best interests of Miami-Dade County to waive the competitive bidding and bid protest processes as set forth in Section 5.03(d) of the Home Rule Charter, Sections 2-8.1 and 2-8.4 of the Code of Miami-Dade County, and Implementing Orders 3-38 and 3-21;—iii) ~~[[authorizes the issuance of a Best and Final Offer from the three (3) firms that were deemed responsive in the subject RFP process, with such Best and Final Offers to include costs for minimum staffing levels as determined by the County; iv)]]~~¹ authorizes the County Mayor or designee to negotiate and execute Change Order No. 3 to the contract for Baggage Handling System Operation and Maintenance (“BHS O&M”) at Miami International Airport (“MIA”), Project No: ITN-MDAD-01-06, between the County and John Bean Technologies Corporation, to extend the contract on a month to month basis not to exceed six (6) months, commencing on June 28, 2014, and to increase the contract value on a pro-rata basis to provide funding for such extension; and (iv) authorizes the execution of a contract modification to the Conventional Baggage System Maintenance Contract No. 4346-4/13-4, between the County and Oxford Electronics, Inc. d/b/a Oxford Airport, to extend the contract for six (6) months on a month to month basis commencing on October 1, 2014, and to increase the contract value on a pro rata basis to provide funding for such extension. The extensions authorized herein shall terminate upon award of a new contract ~~[[to the firm providing the Best and Final Offer]]~~ or 6 months after commencement of such extension, whichever occurs first, to allow sufficient time for the County to award a new agreement; all as more particularly set forth in the accompanying memorandum from the County Mayor.

¹ Committee amendments are indicated as follows: words stricken through and/or [[double bracketed]] shall be deleted, words underscored and/or >>double arrowed<< constitute the amendment proposed

The foregoing resolution was offered by Commissioner
who moved its adoption. The motion was seconded by Commissioner
and upon being put to a vote, the vote was as follows:

Rebeca Sosa, Chairwoman
Lynda Bell, Vice Chair

Bruno A. Barreiro
Jose "Pepe" Diaz
Sally A. Heyman
Jean Monestime
Sen. Javier D. Souto
Juan C. Zapata

Esteban L. Bovo, Jr.
Audrey M. Edmonson
Barbara J. Jordan
Dennis C. Moss
Xavier L. Suarez

The Chairperson thereupon declared the resolution duly passed and adopted this 6th day of May, 2014. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.



David M. Murray